

# **MINUTES OF ROANOKE CITY AUDIT COMMITTEE**

**MARCH 5, 2001**

## **1. CALL TO ORDER:**

The meeting of the Roanoke City Audit Committee was called to order at 11:00 a.m. on Monday, March 5, 2001, with Chairman, William White, Sr., presiding.

- The roll was called by Mrs. Powers

### **Audit Committee**

**Members Present:** William White, Sr., Chairman  
William H. Carder  
W. Alvin Hudson  
Linda F. Wyatt

**Others Present:** Robert H. Bird, Municipal Auditor  
Darlene L. Burcham, City Manager  
William M. Hackworth, City Attorney  
James D. Grisso, Director of Finance  
Ann Shawver, Manager Accounting Services  
Kenneth F. Mundy, Controller Roanoke City Public Schools  
Major Charles I. Poff, Chief Deputy  
Dana Long, Chief of Billings & Collections  
Gerri Rorer, Sr. Tax Compliance Administrator  
Troy A. Harmon, Assistant Municipal Auditor  
Tera D. Hamden, Senior Auditor  
Mike Tuck, Senior Auditor  
Pamela C. Mosdell, Auditor  
Evelyn W. Powers, Administrative Assistant

## **2. FINANCIAL AUDITS:**

### **A. Clerk of the Circuit Court**

### **B. Sheriff's Canteen and Jail Inmate Fund**

Mr. White ordered that the financial audits be received and filed. There were no objections to the order. Mr. White recognized the Municipal Auditor's staff for comments. Mrs. Mosdell briefed the Committee on the Clerk of the Circuit Court audit. There were no questions from the Committee.

Mr. Tuck briefed the Committee on the Sheriff's Canteen and Jail Inmate audit. Mr. Hudson asked if the prices increased for the canteen items. Mr. Harmon informed the Committee that the prices for canteen items had increased based on a study of the

average prices for the same goods of the Roanoke market. The contract with Swanson requires a market study and the Sheriff's approval before prices can be increased. Mr. Hudson asked if the canteen prices were comparable with other institutions. Mr. Harmon stated that no data on other institutions were gathered.

Mr. Hudson asked if City Deputies were still doing canteen work. Mr. Poff explained that the two Deputies who were previously doing this work have been freed up to do more Sheriff work. Two Deputies are required to escort Swanson delivery employees on their deliveries for security reasons.

### **3. FINANCIAL RELATED AUDITS:**

#### **A. Civic Center Concessions**

Mr. White ordered that the financial related audit be received and filed. There were no objections to the order.

Mr. White recognized the Municipal Auditor's staff for comments. Mrs. Hamden briefed the Committee on the Civic Center Concessions audit. Mr. Carder asked what type of system was being put into place at the Civic Center. Mr. Harmon reported that it is an Event Management System and that the audit office would look at the system when it is put into operation in July 2001. Mr. Carder said he would hope that the system would also handle food and beverage operations as well as events. Mrs. Wyatt said that most events are staffed by volunteers and hoped that the system would not be too complex for them to operate. Mr. Harmon said that the procedures that are currently in place for the volunteers is very good. The problem is with the central inventory before it gets to the volunteers. Mr. Hudson asked if the \$11,000 start up fund for the concessions is balanced everyday. Mr. Harmon reported that they do balance everyday. Mr. Hudson expressed concern that an overage was noted in the auditor's count. Mrs. Hamden stated that a reason for the overage was being investigated. Mr. White asked for the value of the inventory. Mr. Harmon reported that in January, the value of the inventory was \$33,000. Mr. White asked why an inventory system/accounting system was not purchased when the Civic Center went to running the concessions in house from using the private company. Mr. Grisso reported that the ITC Committee had talked about an accounting system at the Civic Center for some time and that they agreed to fund half the cost if the Civic Center funded the other half out of retained earnings. Mr. Grisso agreed that this should have already been done. Ms. Burcham reported that there has been a gap in the use of appropriate technology at the City. She reported that the City is currently looking at leasing computers to replace older computers. She also reported that there are many systems that need to be updated and redesigned. We are trying to hire qualified technical people to work with these problems. She has asked the Information Technology Committee to present to her a master plan to move forward in getting the City's technology systems updated. She said that the City needs more funding to take care of these technology issues. Mr. White said that her point is well taken. Mr. Harmon added that Audit recommended an accounting system be

purchased in 1995. Funding and the time required to get through the RFP and evaluation process have contributed to the delay.

**4. UNFINISHED BUSINESS:**

**A. Audit Selection Committee - Recommendation**

Mr. White ordered that the Audit Selection Committee recommendation be received and filed. There were no objections to the order. A motion to concur with the recommendation of the Audit Selection Committee and to recommend that the Council authorize the City Manager to execute a contract between the City of Roanoke and KPMG was moved by Mr. Carder and seconded by Mr. Hudson. The motion was approved unanimously.

**5. NEW BUSINESS:**

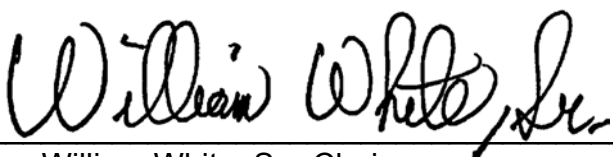
**GASB 34 Implementation**

Mr. White recognized Mr. Grisso for comments. Mr. Grisso informed the Committee that KPMG has advised against early implementation of GASB 34. Mr. Grisso introduced Mrs. Shawver who briefed the Committee on what GASB 34 is and how it will impact the City's financial statements.

Mr. White recognized Mr. Bird for comments on the Municipal Auditing department's Strategic Business Plan. Mr. Bird reported to the Committee that Mr. Harmon and the audit staff had presented the Strategic Business Plan to the City Manager and Roanoke City Council. Mr. Bird read a letter to the Committee from the City Manager commending Mr. Harmon for his hard work and dedication to the development of the business plan.

**6. ADJOURNMENT:**

There being no further business, the meeting adjourned at 11:30 a.m.

  
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William White, Sr., Chairman